

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-341-C

In Re:)	
Application of Hotwire Communications,)	
Ltd. for a Certificate of Public)	
Convenience and Necessity to Provide)	SETTLEMENT AGREEMENT
Resold and Facilities-Based Local)	
Exchange and Interexchange)	
Telecommunications Services in the)	
State of South Carolina and for Flexible)	
and Alternative Regulation)	

This Settlement Agreement (“Settlement Agreement”) is made by and among the Office of Regulatory Staff (“ORS”) and Hotwire Communications, Ltd. (“Hotwire” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on September 18, 2007, Hotwire filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing Hotwire to provide resold and facilities-based local exchange and interexchange telecommunications services within South Carolina; (ii) alternative regulation of its interexchange business service offerings consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) waiver of certain regulations of the Public Service Commission of South Carolina (“Commission”), specifically Regulations 103-610 regarding location of records and 103-631 concerning publishing and distributing local exchange directories; and (v) a waiver of any

requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”);

WHEREAS on September 26, 2007, the Commission issued a Notice of Filing and Hearing and established a return date of October 29, 2007, for the filing of letters of protest or petitions to intervene and established a hearing date of December 10, 2007 for the application to be heard before a hearing examiner;

WHEREAS, on October 4, 2007, counsel for ORS entered a Notice of Appearance in this matter;

WHEREAS, on October 5, 2007, the South Carolina Telephone Coalition (“SCTC”) filed a Petition to Intervene in this docket;

WHEREAS, on October 10, 2007, the Commission issued its Order No. 2007-720 by which the Commission appointed F. David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on October 26, 2007, Hotwire pre-filed the direct testimony of Adam B. Weinstein with the Commission;

WHEREAS, on November 5, 2007, the SCTC filed with the Commission a Stipulation between the SCTC and Hotwire;

WHEREAS, the purpose of this proceeding is to review the application filed by Hotwire and its requests (i) for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange business service offerings consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for flexible regulation for its local exchange

telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) for waiver of certain of the Commission Regulations, specifically Regulations 103-610 regarding location of records and 103-631 concerning publishing and distributing local exchange directories; and (v) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of Hotwire to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Hotwire, and ORS has calculated certain performance ratios based upon information provided by the Hotwire;

WHEREAS, ORS has investigated the services to be offered by Hotwire and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Hotwire;

WHEREAS, ORS has reviewed the prefiled testimony of Adam B. Weinstein;

WHEREAS, as a result of its investigations, ORS has determined (a) Hotwire intends to offer facilities-based and resold local exchange and interexchange in South Carolina with such offering of services primarily to residential customers and in particular offering full-feature communication services to multi-dwelling unit buildings, condominium and homeowner associations and student housing; (b) the officers of Hotwire possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Hotwire appears to have access to sufficient financial resources and backing necessary to provide the services proposed in its application; (d)

Hotwire's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the services provided by Hotwire will meet the service standards required by the Commission; (f) the provision of services by Hotwire will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, Hotwire will participate in the support of universally available telephone service at affordable rates; and (h) the provision of interexchange services by Hotwire will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that Hotwire's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of Hotwire's witness Adam B. Weinstein as adopted at the hearing by Matthew Holcombe without cross-examination by ORS;

3) Hotwire has submitted financial data, which was provided as Exhibit 4 to Hotwire's Application and which was granted Protective Treatment by Commission Hearing Examiner Directive dated October 12, 2007 and which financial data is incorporated by reference;

4) The Parties agree that Hotwire should be granted a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the state of South Carolina;

5) Hotwire has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing Hotwire to maintain its books and records outside of the State of South Carolina in exchange for Hotwire agreeing to provide access to its books and records. ORS is agreeable to Hotwire maintaining its books and records at its principal offices in the State of Pennsylvania, and Hotwire agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) ORS does not oppose Hotwire's request for waiver of 26 S.C. Code Ann. Regs. 103-631 which requires the publication and distribution of directories, and Hotwire agrees make arrangements with publishers of local directories in South Carolina to include the names and

telephone numbers of Hotwire's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number;

7) Hotwire has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). Hotwire acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. Hotwire agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to the South Carolina intrastate Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. Hotwire agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

8) ORS does not oppose Hotwire's requests (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days and (b) for alternative regulation of its

interexchange business service offerings, which would include business services, consumer card services, operator services, and private line service offerings, consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of business services in the same manner as the like services of AT&T Communications of the Southern States, Inc. are regulated, (ii) removal of the maximum rate tariff requirements for Hotwire's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Hotwire the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

9) Hotwire agrees to resell the services only of those local exchange providers or interexchange carriers authorized to do business in South Carolina by the Commission;

10) Hotwire agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

11) Hotwire agrees to file necessary financial information and other information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, quality of service reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Hotwire. The Parties agree that such reports shall be filed

pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

12) Hotwire agrees to maintain its books and records in a manner that would permit ORS to examine any of Hotwire's reports filed with the Commission and provided to ORS.

13) Hotwire agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

14) In the event that Hotwire offers prepaid calling card services in the future, Hotwire agrees that it shall post a surety bond in the amount of \$5,000 as required by the Commission;

15) In providing local and long distance services to end users, Hotwire agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in marketing its local and long distance services to end users, Hotwire agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

16) Hotwire agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, Hotwire agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, Hotwire shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

17) To the extent necessary, Hotwire agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

18) In providing its services in South Carolina, Hotwire agrees to comply with and operate in accordance with S.C. Code Ann. § 58-9-295 (Supp. 2006).

19) It is understood and agreed that Hotwire will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding “Public Safety Communications Centers,” but in the event that Hotwire in the future offers or provides a service to which Title 23, Chapter 47 of the South Carolina Code regarding “Public Safety Communications Centers,” also known as 911 services, Hotwire agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” also known as 911 services.” At that time, Hotwire agrees to contact the appropriate authorities regarding 911 services in the counties and cities where Hotwire will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding Hotwire’s operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

20) Hotwire agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

21) Hotwire agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS’ recommendations as set forth in the summary attached as Exhibit 2 to this Settlement Agreement.

22) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

23) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

24) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

25) This Settlement Agreement shall be interpreted according to South Carolina law.

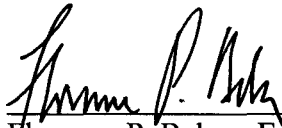
26) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement

Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

[The remainder of this page intentionally left blank. Signature page follows as a separate page.]

WE AGREE:

Representing the Office of Regulatory Staff

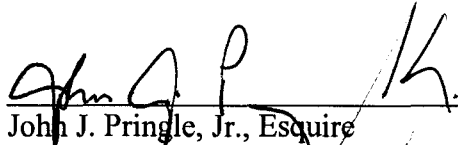


Florence P. Belser, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
Telephone: (803) 737-0853
Fax: (803) 737-0895
Email: fbelser@regstaff.sc.gov

12/3/2007
Date

WE AGREE:

Representing Hotwire Communications, Ltd.



John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, SC 29202-2285
Telephone: (803) 343-1270
Fax: (803) 799-8479
jpringle@ellislawhorne.com

12/03/07
Date

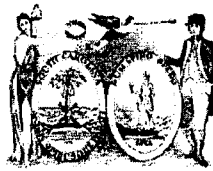
STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

EXHIBIT 1

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH
WILLIAM GILLESPIE
(803) 734-3805

GEODETIC SURVEY
5 GEOLOGY ROAD
COLUMBIA, S.C. 29210
LEWIS LAPINE
(803) 896-7700

DIGITAL CARTOGRAPHY
(803) 734-3802

HEALTH & DEMOGRAPHICS
STATISTICS
1919 BLANDING STREET
COLUMBIA, S.C. 29201
WALTER P. BAILEY, M.P.H.
(803) 898-9941

Hotwire Communications, Ltd. has agreed to incorporate the following changes in the tariffs filed with its application.

Hotwire Telecommunications Local Exchange Tariff (Tariff No. 2)

Page 1==include a phone number or email address along with the other information provided in the footer. The phone number should be included in all subsequent pages as well.

Page 5 D==modify language== “When a tariff filing is made with the Commission and the Office of Regulatory Staff, an updated....”

Section 1 Technical Terms and Abbreviations

Page 7==include within Terms== “ ‘ORS’ refers to the South Carolina Office of Regulatory Staff.”

Section 2 Rules and Regulations

Page 15 2.4.1.2==Include language relating to Publishing of a Directory or Contracting with a Directory pursuant to SC Reg. 103-631

Page 16 2.4.2.4==add language at end of paragraph== “The Company will notify the ORS and the Commission with at least thirty days notice in any change in the definition of the Company’s region.”

**Page 17 2.5.2==remove language from paragraph== “...including attorneys’ fees.”
==change seven (7) day notice to five (5) day notice
==add the following language to end of paragraph== “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)**

Page 18 2.5.4==delete both paragraphs in its entirety.

Page 20 2.6.2==delete the first paragraph in its entirety, add the following substitute language== “For a new customer, a maximum deposit may be required up to an amount equal to an estimated two months total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two consecutive months within the preceding six months. The Company will not require a deposit without explaining in writing why that deposit is

being required and under what conditions, if any, the deposit will be diminished upon return.” (SC Reg. 103-621.1)

Page 21 2.6.4==modify language of first sentence== “Interest shall be paid on deposits at a rate prescribed by the Commission. The interest on the deposit shall accrue annually.” (SC Reg. 103-621.3.B)

Page 22 2.7.1==modify language of first sentence== “In the event that Customer disputes any charges, Customer must submit a written or oral claim describing the disputed charge and amount of charge.”

Page 22 2.7.2 ==add the address for the Office of Regulatory Staff in addition to phone numbers.
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201

Page 23 2.8.1 ==add the following language at end of paragraph== “Records will be kept of Interruptions or Failures of Service which will include the date, time, duration, cause and steps taken to correct the problem. These records shall be made available to the ORS upon request.”

Page 24 2.10==delete sentence in its entirety. Add substitute language== “The returned check charge will conform to SC Code 34-11-70”.

Page 25 2.12.1 ==delete the following phrase from the sentence in last paragraph== “but is not obligated to,”

Page 25 2.12.1 ==add additional sentence at end of paragraph== “The Company will only disconnect service without notice for situations that conform to SC Regulation 103-625, or as directed by law enforcement, a judicial body, or any government agency as directed by statute.”

Page 26 2.12.2.1==add the following language at end of paragraph== “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)

Page 27 2.12.2.1==add an “H” and include the following language== “The company may disconnect service for any reason that conforms to SC Regulation 103-625.”

Page 29 2.17 ==add language at end of paragraph== “Any adjustment in billing due to Overcharging or Undercharging will conform to South Carolina Regulation 103-623.”

Page 31 3.1.1==add language at end of paragraph== “If the Trial Services were made on a permanent basis, tariff revisions will be filed with the Commission and copies of the revisions will be sent to the ORS.”

Section 3

Page 31 3.1.2==modify paragraph as follows== “The Company will provide notification to the Commission and ORS of its intent to offer promotional services and rates. The Company may offer existing services on a promotional basis, which provides special rates, terms, or conditions of service. The Commission requires a letter of notification of promotional offerings which will be provided at least five days prior to implementing the promotion. Such letter of notification will be provided to the ORS as well.”

Page 31 3.2.1 ==add at end of paragraph== “All ICB’s will be made available to the ORS upon request.”

Page 31 3.3.1 ==add at end of paragraph== “All CPA’s will be made available to the ORS upon request.”

Page 33 3.6.1==Business Customers are allowed one directly dialed Local Directory Assistance call per month. Are Residential Customers allowed the same?

Page 33 3.6.1==maximum and current rates should be included for Directory Assistance

Section 4

Page 34 4.1.1==maximum and current rates should be included in chargeable time.

Page 34 4.2.1==maximum rates are needed for Business Service. If the Company provides Residential Service, maximum and current rates as well as descriptions of services should be included.

Page 35 4.2.2==description of services should be included as well as maximum rates.

Hotwire Telecommunications InterExchange Tariff (Tariff No. 1)

Page 1==include a phone number or email address along with the other information provided in the footer. The phone number should be included in all subsequent pages as well.

Page 5 D==modify language== “When a tariff filing is made with the Commission and the Office of Regulatory Staff, an updated....

Section 1 Technical Terms and Abbreviations

Page 7==include within Terms== “ ‘ORS’ refers to the South Carolina Office of Regulatory Staff.”

Page 16 2.4.2.4==add language at end of paragraph== “The Company will notify the ORS and the Commission with at least thirty days notice in any change in the definition of the Company’s region.”

Page 17 2.5.2==remove language from paragraph== “...including attorneys’ fees.”
==change seven (7) day notice to five (5) day notice
==add the following language to end of paragraph== “Service will be terminated only on Monday through Thursday between the hours of 8:00am and 4:00pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg. 103-633)

Page 18 2.5.4==delete both paragraphs in its entirety.

Page 20 2.6.2==delete the first paragraph in its entirety, add the following substitute language== “For a new customer, a maximum deposit may be required up to an amount equal to an estimated two months total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two consecutive months within the preceding six months. The Company will not require a deposit without explaining in writing why that deposit is being required and under what conditions, if any, the deposit will be diminished upon return.” (SC Reg. 103-621.1)

Page 21 2.6.4==modify language of first sentence== “Interest shall be paid on deposits at a rate prescribed by the Commission. The interest on the deposit shall accrue annually.” (SC Reg. 103-621.3.B)

Page 22 2.7.2 ==add the address for the Office of Regulatory Staff in addition to phone numbers.

Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201

Page 23 2.8.2 ==add the following language as a new paragraph== “Records will be kept of Interruptions or Failures of Service which will include the date, time, duration, cause and steps taken to correct the problem. These records shall be made available to the ORS upon request.”

Page 24 2.10==delete sentence in its entirety. Add substitute language== “The returned check charge will conform to SC Code 34-11-70”.

Page 25 2.12.1 ==add additional sentence at end of paragraph== “The Company will only disconnect service without notice for situations that conform to SC Regulation 103-625, or as directed by law enforcement, a judicial body, or any government agency as directed by statute.”

Page 25 2.12.1 ==delete the following phrase from the sentence in last paragraph== “ but is not obligated to,”

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Page 27 2.12.2.1==add an “H” and include the following language== “The company may disconnect service for any reason that conforms to SC Regulation 103-625.”

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Page 30 3.1.1==add language at end of paragraph== “If the Trial Services were made on a permanent basis, tariff revisions will be filed with the Commission and copies of the revisions will be sent to the ORS.”

Page 30 3.1.2==modify paragraph as follows== “The Company will provide notification to the Commission and ORS of its intent to offer promotional services and rates. The Company may offer existing services on a promotional basis, which provides special rates, terms, or conditions of service. The Commission requires a letter of notification of promotional offerings which will be provided at least five days prior to implementing the promotion. Such letter of notification will be provided to the ORS as well.”

Page 30 3.2.1 ==add at end of paragraph== “All ICB’s will be made available to the ORS upon request.”

Page 30 3.3.1 ==add at end of paragraph== “All CPA’s will be made available to the ORS upon request.”

Section 4 Rates and Charges

Page 32 ==please add to, explain or modify the following points:

- 1) If the “rate per minute” applies to Residential as well as Business Customers, you will need a maximum rate. Alternative Regulation requires maximum rates for all Residential Long Distance Services.**
- 2) Include descriptions of all services, both recurring and non-recurring in both tariffs.**
- 3) Include rates of all services, both recurring and non-recurring in both tariffs.**
- 4) Include maximum and current rates for all services, both recurring and non-recurring in local tariff and for residential services in long distance tariff.**

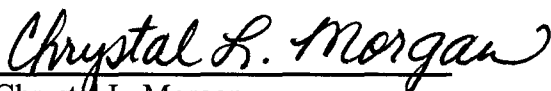
BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2007-341-C

IN RE: Application of Hotwire Communications, Ltd.
 for a Certificate of Public Convenience and)
 Necessity to Provide Local Exchange and) **CERTIFICATE OF**
 Interexchange Telecommunications Services) **SERVICE**
 in the State of South Carolina and for Flexible)
 Regulation and Alternative Regulation

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, SC, 29202

Margaret M. Fox, Esquire
South Carolina Telephone Coalition
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC, 29211


Chrystal L. Morgan

December 3, 2007
Columbia, South Carolina